Federal Communications Commission
Washington, D.C. 20554

May 12, 2010

Mr. Luis G. Coello
President
IConnect Wholesale, Inc., d/b/a TeleCuba
407 Lincoln Road, Suite 201
Miami Beach, Florida 33139

Re: IB Docket No. 10-95
ISP-WAV-20100412-00007

Dear Mr. Coello:

This letter is in reference to the petition filed by IConnect Wholesale, Inc., d/b/a TeleCuba ("TeleCuba"), dated March 18, 2010, in the above-referenced proceeding requesting a waiver of the Commission's accounting rate and settlement benchmark policies for facilities-based telecommunications services between the United States and Cuba.[1] The petition was placed on Public Notice on April 26, 2010.[2]

We need additional information from TeleCuba for our review of the petition. Please provide responses to the following questions on or before May 26, 2010:

Existing and Future Agreements

1. Has TeleCuba ever provided direct telecommunications service between the United States and Cuba? If so, please explain the type of service(s), the transmission medium, and dates of service.
2. Does TeleCuba have a negotiated Operating Agreement, a Memorandum of Understanding, or other agreements entered into with Empresa de Telecomunicaciones de Cuba S.A. ("ETECSA") for the establishment of direct circuits between the United States and Cuba for the exchange of telephone traffic? If so, please identify, by date, any such written agreements and provide copies of the agreements.

[1] *See* IConnect Wholesale, Inc., d/b/a TELECUBA Petition for Waiver of the International Settlements Policy and Benchmark Rate for facilities-based telecommunications services with Cuba, File No. ISP-WAV-20100412-00007 (March 18, 2010). TeleCuba filed its petition for a waiver of the International Settlements Policy ("ISP") and the benchmark rate under the 1997 Benchmarks Policy for facilities-based telecommunications services between the United States and Cuba. Specifically, TeleCuba requests that the Commission grant a waiver to have a settlement rate with its correspondent in Cuba, Empresa de Telecomunicaciones de Cuba S.A. ("ETECSA") of $0.84 per minute, and to increase the benchmark rate from $0.19 per minute to $0.84 per minute for a period of three years.

[2] *See* IConnect Wholesale, Inc., d/b/a TELECUBA Requests a Waiver of the International Settlements Policy and Benchmark Rate for facilities-based telecommunications services with Cuba, Public Notice, DA 10-691 (Int'l Bur., rel. April 26, 2010).

3. What discussions, by date, have taken place between TeleCuba and ETECSA concerning the exchange of telephone traffic over direct circuits between the United States and Cuba.
4. What is the basis provided by ETESCA for the proposed $0.84 per minute rate for the establishment of direct circuits between the United States and Cuba for the exchange of telephone traffic?[3] To TeleCuba's knowledge, how does the proposed $0.84 per minute rate compare with ETESCA's rate(s) for direct service with other countries?
5. Is TeleCuba providing telecommunications service to Cuba via a transit arrangement(s) with intermediate countries? If so, does TeleCuba have an operating agreement with a carrier in an intermediate country for the accounting rate and transit fee for the provision of telecommunications services with Cuba on a transit arrangement?
6. To TeleCuba's knowledge, how does the proposed settlement rate with ETESCA compare with arrangements of other carriers for indirect routing of services to Cuba?
7. To the extent that the proposed settlement rate is more than current indirect rates, please comment as to why it appears more costly to provide direct telecommunications services to Cuba, taking into account that the transit fee currently paid to a third country for indirect service between the U.S. and Cuba will not be a transactional cost associated with providing direct service between the U.S. and Cuba?

Benchmarks Policy

8. The Commission's 1997 Benchmarks Order allows for reconsideration of the benchmark settlement rate that applies to a particular route on the grounds that the rate does not permit recovery of the incremental costs incurred to receive, transmit and terminate service.[4] Since TeleCuba, in its petition, does not demonstrate that ETESCA's relevant incremental costs are higher than the established benchmark of $0.19 per minute for Cuba, please provide with specificity TeleCuba's view of the public interest basis for Commission departure from its standard and waiver of its benchmark policy with respect to Cuba. In particular, please explain the following:
   (a) How the proposed three year waiver of benchmarks will lead to lower rates to Cuba;
   (b) TeleCuba's strategy to achieve lower benchmark compliant settlement rates for direct service with ETESCA prior to expiration of the requested waiver;
   (c) How TeleCuba's direct service to Cuba will provide improved call quality to U.S. customers; and
   (d) How TeleCuba's plans to lay a fiber optic cable between the United States and Cuba and implement an International Roaming Service Exchange Agreement with TeleCuba are dependent on TeleCuba's request for a settlement rate of $0.84 per minute with ETESCA.

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[3] According to the FCC's *2008 International Telecommunications Data Report*, the average U.S. settlement payout per minute (world total for U.S. carriers) was $0.058.
[4] In the Matter of International Settlement Rates, IB Docket No. 96-261, Report and Order, FCC 97-280, 12 FCC Rcd 19806, 19849, ¶ 88 (1997) (*Benchmarks Order).*

International Settlements Policy

9. The Commission's International Settlements Policy ("ISP"), which governs how U.S. carriers negotiate with foreign carriers for the exchange of international traffic, is the policy by which the Commission has sought to assure that foreign carriers with market power are not able to take advantage of the presence of multiple U.S. carriers serving a particular market. Specifically, the ISP requires that: (1) all U.S. carriers must be offered the same effective accounting rate and same effective date for the rate ("nondiscrimination"); (2) all U.S. carriers are entitled to a proportionate share of U.S.-inbound, or return traffic based upon their proportion of U.S.-outbound traffic ("proportionate return"); and (3) the accounting rate is divided evenly 50-50 between U.S. and foreign carriers for U.S.-inbound and outbound traffic so that inbound and outbound settlement rates are identical ("symmetrical settlement rates").

   TeleCuba's petition for waiver and attached notarized waiver state that: (1) the proposed accounting rate would be split 50/50, (2) TeleCuba has not bargained for, nor has knowledge of, exclusive availability of the proposed settlement rate and accounting rate, (3) ETECSA has been informed that U.S. policy requires that competing U.S. carriers have access to settlement and accounting rates negotiated by the filing carrier with the foreign administration on a non-discriminatory basis, and (4) TeleCuba has not bargained for, nor has any indication that it will receive, more than its proportionate share of return traffic. Please explain for which aspect of the ISP are you seeking a waiver?

Please provide responses to the foregoing questions no later than May 26, 2010 (the date comments are due on the TeleCuba petition). Please address your responses to the Secretary of the Commission referencing the above-captioned docket number and file electronically via ECFS, following the procedures set out in the Public Notice.[5] You may contact me (202-418-0427), David Krech (202-418-7443) or Jodi Cooper (202-418-2064) with any questions.

Sincerely,

James L Ball

James L. Ball
Chief, Policy Division
International Bureau

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[5] *See* IConnect Wholesale, Inc., d/b/a TELECUBA Requests a Waiver of the International Settlements Policy and Benchmark Rate for facilities-based telecommunications services with Cuba, Public Notice, DA 10-691 (Int'l Bur., rel. April 26, 2010).